

Medical Assistance Services

Analyst: Holland-Smith

Historical Summary

OPERATING BUDGET	FY 2006 Total App	FY 2006 Actual	FY 2007 Approp	FY 2008 Request	FY 2008 Gov Rec
BY PROGRAM					
Medicaid Admin & Medical Mgmt	1,160,268,200	1,156,638,400	53,703,900	64,695,200	64,384,000
Dual Eligible Individuals	0	0	197,922,300	206,728,400	206,728,400
Individuals with Disabilities	0	0	539,120,300	561,466,700	561,466,700
Low-Income Children & Adults	0	0	455,916,000	478,104,500	478,104,500
Total:	1,160,268,200	1,156,638,400	1,246,662,500	1,310,994,800	1,310,683,600
BY FUND CATEGORY					
General	331,277,000	323,764,800	357,268,900	382,303,400	382,138,800
Dedicated	73,547,000	83,128,500	81,754,700	88,079,800	87,961,300
Federal	755,444,200	749,745,100	807,638,900	840,611,600	840,583,500
Total:	1,160,268,200	1,156,638,400	1,246,662,500	1,310,994,800	1,310,683,600
Percent Change:		(0.3%)	7.8%	5.2%	5.1%
BY OBJECT OF EXPENDITURE					
Personnel Costs	17,768,500	16,297,800	17,939,600	18,370,600	18,631,900
Operating Expenditures	19,036,600	24,153,700	31,894,500	43,020,700	42,507,300
Capital Outlay	0	177,100	920,200	300,900	295,200
Trustee/Benefit	1,123,463,100	1,116,009,800	1,195,908,200	1,249,302,600	1,249,249,200
Total:	1,160,268,200	1,156,638,400	1,246,662,500	1,310,994,800	1,310,683,600
Full-Time Positions (FTP)	271.00	262.00	287.50	279.50	278.50

Division Description

The Division of Medical Assistance has responsibilities that include administering plans to finance and deliver health services for people at risk due to low income and other factors, such as youth, old age, pregnancy, or disability, pursuant to state and federal Medicaid requirements. Additional responsibilities involve licensing and certification of health facilities to meet state and federal requirements and to participate in Medicaid and Medicare.

MEDICAID ADMINISTRATION & MEDICAL MANAGEMENT: Comprises all the expenditures to administer a comprehensive program of medical coverage to eligible recipients in Idaho. Coverage is provided through traditional Medicaid (Title XIX), and CHIP (Title XXI). Administrative functions include managing provider payments, contracts with state agencies and universities for medical management, drug utilization reviews, individual assessments, and licensing and inspecting health facilities such as nursing homes, hospitals, and residential and assisted living facilities. Prior to FY 2007, all Medicaid expenditures were reported under the Medical Assistance Services Program. The program has been renamed Medicaid Administration & Medical Management.

State Plan for DUAL ELIGIBLE INDIVIDUALS: Beneficiaries covered in this plan primarily consist of those who are age 65 and older. All individuals dually eligible for Medicaid and Medicare, regardless of age, may elect to receive coverage under this plan.

State Plan for INDIVIDUALS WITH DISABILITIES: Medicaid eligible group primarily made up of children and adults (non-elderly) with disabilities or other individuals with special health needs, such as foster children. Individuals included in this plan may elect to remain in this plan after they turn 65 years old.

State Plan for LOW-INCOME CHILDREN AND WORKING-AGE ADULTS: Medicaid eligible group primarily consisting of Pregnant Women and Children (PWC), Family Medicaid and Idaho's Children Health Insurance Program (CHIP). These populations are assumed to be in average health, with average levels of health and disease.

Medicaid Administration & Medical Mgmt

Analyst: Holland-Smith

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2007 Original Appropriation	287.50	13,838,000	53,703,900	287.50	13,838,000	53,703,900
2. CMS Audit of State Medicaid Programs	0.00	853,100	0	0.00	853,100	0
4. HIPPA National Provider ID	0.00	301,600	3,016,000	0.00	301,600	3,016,000
FY 2007 Total Appropriation	287.50	14,992,700	56,719,900	287.50	14,992,700	56,719,900
Non-Cognizable Funds and Transfers	(9.00)	(350,100)	4,475,500	(9.00)	(350,100)	4,475,500
FY 2007 Estimated Expenditures	278.50	14,642,600	61,195,400	278.50	14,642,600	61,195,400
Removal of One-Time Expenditures	(8.00)	(501,600)	(12,556,200)	(8.00)	(501,600)	(12,556,200)
FY 2008 Base	270.50	14,141,000	48,639,200	270.50	14,141,000	48,639,200
Benefit Costs	0.00	116,100	317,900	0.00	0	0
Inflationary Adjustments	0.00	139,800	563,800	0.00	2,500	5,000
Replacement Items	0.00	161,700	272,400	0.00	161,700	272,400
Change in Employee Compensation	0.00	201,500	536,800	0.00	287,800	766,800
FY 2008 Program Maintenance	270.50	14,760,100	50,330,100	270.50	14,593,000	49,683,400
2. MMIS Reprocurement	8.00	1,636,000	14,325,600	8.00	1,677,400	14,738,800
7. Mental Hlth Assessment Pilot Program	1.00	38,900	77,700	0.00	0	0
37. Casualty Recovery-Add'l DAGs	0.00	(19,100)	(38,200)	0.00	(19,100)	(38,200)
FY 2008 Total	279.50	16,415,900	64,695,200	278.50	16,251,300	64,384,000
Change from Original Appropriation	(8.00)	2,577,900	10,991,300	(9.00)	2,413,300	10,680,100
% Change from Original Appropriation		18.6%	20.5%		17.4%	19.9%

Medicaid Administration & Medical Mgmt

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2007 Original Appropriation	287.50	13,838,000	3,233,300	36,632,600	53,703,900

2. CMS Audit of State Medicaid Programs

The agency is requesting additional General Funds to offset the reduction in federal match for the salaries of skilled professional medical personnel. The Center for Medicare and Medicaid Services found the department was receiving 75% federal matching funds instead of 50% for licensed nurses, social workers, pharmacists, and doctors. The request is for \$350,000 in personnel costs, \$79,100 in operating expenditures, and \$424,000 in trustee and benefits.

Agency Request	0.00	853,100	0	(853,100)	0
Governor's Recommendation	0.00	853,100	0	(853,100)	0

4. HIPPA National Provider ID

In the Fall of 2005, the department anticipated incorporating a federally-mandated National Provider Identification (NPI) program and other necessary system changes into a new Medicaid Management Information System (MMIS) that was planned to go online January 1, 2008. The department now anticipates the new MMIS to be operational mid-2008. These changes for a NPI program will need to be incorporated into the old system by May 2007. The federal Health Insurance Portability and Accountability Act (HIPPA) requires all states to establish unique identification numbers for all Medicaid providers. The department estimates this will require 26,000 hours of contract programming at \$116 per hour on a one-time basis.

Agency Request	0.00	301,600	0	2,714,400	3,016,000
Governor's Recommendation	0.00	301,600	0	2,714,400	3,016,000

FY 2007 Total Appropriation					
Agency Request	287.50	14,992,700	3,233,300	38,493,900	56,719,900
Governor's Recommendation	287.50	14,992,700	3,233,300	38,493,900	56,719,900

Non-Cognizable Funds and Transfers

PROGRAM TRANSFERS:

MEDICAID PROVIDER PAYMENTS TO MEDICAID ADMINISTRATION: The agency is transferring \$5,136,300 of spending authority from provider payments in trustee and benefits to operating expenditures for administration.

TO SELF RELIANCE: Transfers out 1.00 FTP; \$42,800 in personnel costs; and \$7,900 in operating expenditures to the Self Reliance program. For FY 2008 budgeted funds are permanently transferred to a new division and program called Service Integration. Transfers 6.00 FTP, \$65,400 in dedicated funds and \$245,300 in federal funding to the program for the Chip B eligibility unit.

TO: INDIRECT SUPPORT SERVICES: Reduces FTP by 2.00 and transfers \$61,000 in personnel costs and \$3,800 in operating expenditures to the Indirect Support Services Program. Also transfers \$135,500 of General Funds in operating expenditures for the savings due from changing from contract staff to state employees, and transfers \$99,100 of General Funds in operating expenditures for data line and Attorney General charges.

Agency Request	(9.00)	(350,100)	5,070,900	(245,300)	4,475,500
Governor's Recommendation	(9.00)	(350,100)	5,070,900	(245,300)	4,475,500

FY 2007 Estimated Expenditures					
Agency Request	278.50	14,642,600	8,304,200	38,248,600	61,195,400
Governor's Recommendation	278.50	14,642,600	8,304,200	38,248,600	61,195,400

Removal of One-Time Expenditures

Remove funding provided for one-time items.

Agency Request	(8.00)	(501,600)	(1,561,300)	(10,493,300)	(12,556,200)
Governor's Recommendation	(8.00)	(501,600)	(1,561,300)	(10,493,300)	(12,556,200)

FY 2008 Base					
Agency Request	270.50	14,141,000	6,742,900	27,755,300	48,639,200
Governor's Recommendation	270.50	14,141,000	6,742,900	27,755,300	48,639,200

Medicaid Administration & Medical Mgmt

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Benefit Costs					
Restores funding for premium holidays taken in FY 2007 estimated at \$865 per employee. Also includes the employer-paid portion of estimated changes in employee benefit costs including \$350 per employee for health insurance.					
Agency Request	0.00	116,100	0	201,800	317,900
<i>The Governor recommends that all health insurance related adjustments be funded by program changes or utilizing reserves available in the group insurance contract. As the PERSI Board voted to maintain the current contribution rate for the upcoming fiscal year, no adjustment to retirement rates is necessary.</i>					
Governor's Recommendation	0.00	0	0	0	0
Inflationary Adjustments					
This customized inflationary adjustment is a 1.78% increase over the base. It is calculated by subtracting statewide allocation plan costs and other one-time appropriations and applying a 1.81% increase for all remaining operating costs.					
Agency Request	0.00	139,800	118,500	305,500	563,800
<i>Inflationary increases are provided only for contractual obligations such as leased space costs. Other inflationary requests are not recommended.</i>					
Governor's Recommendation	0.00	2,500	0	2,500	5,000
Replacement Items					
Requests \$227,700 for 17 sedans @ \$13,100 each, and \$49,700 for 95 desktop computers @ \$523 each. The federal match for vehicles is 38% and 50% for desktop computers.					
Agency Request	0.00	161,700	0	110,700	272,400
Governor's Recommendation	0.00	161,700	0	110,700	272,400
Change in Employee Compensation					
Reflects the calculated cost of a 3.5% salary increase for permanent and group positions.					
Agency Request	0.00	201,500	0	335,300	536,800
<i>The Governor recommends a compensation increase of 5% to be distributed based on merit.</i>					
Governor's Recommendation	0.00	287,800	0	479,000	766,800
FY 2008 Program Maintenance					
Agency Request	270.50	14,760,100	6,861,400	28,708,600	50,330,100
Governor's Recommendation	270.50	14,593,000	6,742,900	28,347,500	49,683,400

2. MMIS Reprocurement

For FY 2007 the department received funding for eight limited service positions and a total of \$1,433,000 in state funds and \$7,279,000 in federal match. This request is to continue funding for personnel costs of \$910,000, and \$13,828,800 in operating expenditures. Operating expenditures breakdown is as follows: travel \$100,000, printing/copying \$7,500, communications \$5,000, admin support \$10,000, general operating costs \$75,000, training \$225,000, Comsys analysts \$1,500,000, vendor costs (90/10) \$11,482,500, and vendor costs (50/50) \$423,800. This entire request is on a one-time basis. A request for proposal was released in November 2006, and the contract should be awarded in March 2007. The department has allotted 24 months for design, development, and implementation of a new system.

Agency Request	8.00	1,636,000	0	12,689,600	14,325,600
Governor's Recommendation	8.00	1,677,400	0	13,061,400	14,738,800

Medicaid Administration & Medical Mgmt

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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7. Mental Hlth Assessment Pilot Program

The department is requesting funding to implement a pilot program to provide independent assessment of Medicaid participants who may need enhanced mental health services. This requires hiring a medical program specialist to develop, implement and evaluate the pilot program and oversee an independent contractor who would provide mental health assessments. The independent contractor would be compensated by Medicaid fees previously paid for assessments performed by providers with direct financial interests in the outcome of the evaluations and subsequent treatment plans. The pilot program would start in Regions VI and VII where 50% of all mental health services were paid compared to 24% of the total statewide Medicaid enrollment. Personnel costs total \$64,000, operating expenditures total \$8,000, and one-time capital outlay is \$5,700 for office furniture and computer equipment.

Agency Request	1.00	38,900	0	38,800	77,700
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Not recommended by the Governor

Governor's Recommendation	0.00	0	0	0	0
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37. Casualty Recovery-Add'l DAGs

The department is requesting \$64,000 in operating expenditures and \$22,800 in one-time capital outlay to support one deputy attorney and three secretaries in the Office of the Attorney General to pursue collections in tort cases involving Medicaid recipients. This work has historically been performed by a contractor at a total cost of \$125,000 and the agency does not currently have staff performing this function. This request funds rent, travel costs, office supplies, and one-time capital outlay to buy office furniture and computer equipment. If approved the agency will request funding in FY 2010 for these FTP through the statewide cost allocation process. A recent U.S. Supreme Court Case (Arkansas Health and Human Services vs. Ahlhorn) ruling shifted the initiative to collect medical damages in tort cases involving Medicaid recipients to individual states. States are now required to proceed with their own legal actions to recover in third party liability cases. The state currently receives approximately \$2.5 million each year from casualty recovery cases and is expecting comparable revenues in the future.

Analyst's Note: In addition, \$263,200 is requested in the Office of the Attorney General's budget for the salaries and benefits for three legal secretaries --\$177,000, and one deputy attorney general --\$86,200. Secretarial staff will also be used to support two current attorneys who do estate recovery, which collects reimbursement of Medicaid expenses after the death of the Medicaid recipient and spouse. Last year, the estate recovery unit collected more than six million dollars, and with the added staff that figure is expected to set new record levels of recovery.

Agency Request	0.00	(19,100)	0	(19,100)	(38,200)
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Analyst's Comment: The Governor's recommendation includes funding for the operating and capital outlay as requested by the department but does not make a recommendation on the additional staff in the Office of the Attorney General.

Governor's Recommendation	0.00	(19,100)	0	(19,100)	(38,200)
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FY 2008 Total					
Agency Request	279.50	16,415,900	6,861,400	41,417,900	64,695,200
Governor's Recommendation	278.50	16,251,300	6,742,900	41,389,800	64,384,000

Agency Request

Change from Original App	(8.00)	2,577,900	3,628,100	4,785,300	10,991,300
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% Change from Original App	(2.8%)	18.6%	112.2%	13.1%	20.5%
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Governor's Recommendation

Change from Original App	(9.00)	2,413,300	3,509,600	4,757,200	10,680,100
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% Change from Original App	(3.1%)	17.4%	108.5%	13.0%	19.9%
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Dual Eligible Individuals

Analyst: Holland-Smith

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2007 Original Appropriation	0.00	60,256,900	197,922,300	0.00	60,256,900	197,922,300
Reappropriations	0.00	948,100	948,100	0.00	0	948,100
1. Return Savings Due to Caseload	0.00	(1,951,700)	(6,274,900)	0.00	(1,951,700)	(6,274,900)
FY 2007 Total Appropriation	0.00	59,253,300	192,595,500	0.00	58,305,200	192,595,500
Non-Cognizable Funds and Transfers	0.00	0	(654,800)	0.00	0	(654,800)
FY 2007 Estimated Expenditures	0.00	59,253,300	191,940,700	0.00	58,305,200	191,940,700
Removal of One-Time Expenditures	0.00	(948,100)	(948,100)	0.00	0	(948,100)
FY 2008 Base	0.00	58,305,200	190,992,600	0.00	58,305,200	190,992,600
Nondiscretionary Adjustments	0.00	5,553,700	15,865,600	0.00	5,553,700	15,865,600
FY 2008 Program Maintenance	0.00	63,858,900	206,858,200	0.00	63,858,900	206,858,200
35. Benefits to Medicaid Fraud	0.00	(38,900)	(129,800)	0.00	(38,900)	(129,800)
FY 2008 Total	0.00	63,820,000	206,728,400	0.00	63,820,000	206,728,400
Change from Original Appropriation	0.00	3,563,100	8,806,100	0.00	3,563,100	8,806,100
% Change from Original Appropriation		5.9%	4.4%		5.9%	4.4%

Dual Eligible Individuals

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2007 Original Appropriation	0.00	60,256,900	9,677,500	127,987,900	197,922,300

Reappropriations

Reappropriation authority, also known as carry over, allows unspent funds from the prior fiscal year to be carried over and spent in the current fiscal year. Those moneys are then removed as one-time expenditures before calculating the next year's base. Carry over requires specific legislative authorization and must be approved every year.

Agency Request	0.00	948,100	0	0	948,100
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The Governor's recommendation reflects the General Fund portion of the reappropriation transfer from the Cooperative Welfare Fund as dedicated funds.

Governor's Recommendation	0.00	0	948,100	0	948,100
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1. Return Savings Due to Caseload

Due to lack of expected growth in caseloads, and savings incurred due to reduced prescription drug costs resulting from the implementation of Medicare Part "D", the department is requesting that funds provided for FY 2007 for provider payments be reduced.

Agency Request	0.00	(1,951,700)	0	(4,323,200)	(6,274,900)
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Governor's Recommendation	0.00	(1,951,700)	0	(4,323,200)	(6,274,900)
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FY 2007 Total Appropriation					
Agency Request	0.00	59,253,300	9,677,500	123,664,700	192,595,500
Governor's Recommendation	0.00	58,305,200	10,625,600	123,664,700	192,595,500

Non-Cognizable Funds and Transfers

The department is transferring funding from trustee and benefit payments to Medicaid Administration and Medical Management to be spent in operating expenditures.

Agency Request	0.00	0	(654,800)	0	(654,800)
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Governor's Recommendation	0.00	0	(654,800)	0	(654,800)
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FY 2007 Estimated Expenditures					
Agency Request	0.00	59,253,300	9,022,700	123,664,700	191,940,700
Governor's Recommendation	0.00	58,305,200	9,970,800	123,664,700	191,940,700

Removal of One-Time Expenditures

Remove funding provided for carryover.

Agency Request	0.00	(948,100)	0	0	(948,100)
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Governor's Recommendation	0.00	0	(948,100)	0	(948,100)
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FY 2008 Base					
Agency Request	0.00	58,305,200	9,022,700	123,664,700	190,992,600
Governor's Recommendation	0.00	58,305,200	9,022,700	123,664,700	190,992,600

Dual Eligible Individuals

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Nondiscretionary Adjustments

CASELOAD INFLATION: Increase of 3,668 new eligibles at an average cost of \$554.97 per month for a total increase of \$24,427,700. Dual Eligible Individuals account for 16% or 587 of the increase. Total requested in this program from the General Fund is \$1,216,400 and \$2,838,400 from federal funds for a total of \$4,054,800.

CARRYOVER REPLACEMENT: The department is requesting \$948,100 to replace the one-time General Funds carryover from FY 2006 into FY 2007.

UTILIZATION INCREASE: The department is requesting \$2,129,400 from the General Fund, \$998,700 from dedicated funds, and \$5,065,900 from federal funds to pay for increased utilization projected in FY 2008.

PRICING INFLATION: The department is requesting \$16,077,400 for the estimated rate changes for FY 2008. The ratio is 30% from the General Fund and 70% from federal funds with 16% of the increase for Elders. This totals \$800,600 from the General Fund and \$1,868,100 from federal funds:

- * Disproportionate Share of Hospitals (DSH): \$3,024,100 or 16%
- * Nursing Facility: \$10,453,300 or 7.5%
- * ICF/MR Care - Other Facility: \$1,099,200 or 3%
- * Physician Services: \$932,100 or 1.3%
- * Rural Health Clinic Services: \$230,800 or 3%
- * Personal Care Services: \$434,700 or 1.5%
- * Hospice Benefits: \$182,800 or 4%
- * Federally Qualified Health Centers \$205,400 or 3%
- * Indian Health Services: \$404,800 or 8%

FEDERAL MEDICAL ASSISTANCE PROGRAM: Provides for an decrease in the Federal Medical Assistance Program match rate from 70.088% to 69.993% at a cost to the General Fund of \$459,200.

Agency Request	0.00	5,553,700	998,700	9,313,200	15,865,600
Governor's Recommendation	0.00	5,553,700	998,700	9,313,200	15,865,600

FY 2008 Program Maintenance

Agency Request	0.00	63,858,900	10,021,400	132,977,900	206,858,200
Governor's Recommendation	0.00	63,858,900	10,021,400	132,977,900	206,858,200

35. Benefits to Medicaid Fraud

The department is requesting to add additional staff for Medicaid fraud and Surveillance and Utilization Review (SUR) unit in the Indirect Support Services Program. They are requesting that \$625,800 be transferred to the Indirect Support Services Program and reducing benefit payments to account for the total savings of \$156,500 in federal funds. The funds transferred to the Indirect Support Services Program will be used to hire four fraud investigators and four utilization review analysts. The request reduced the Elders Program by \$129,800, Individuals with Disabilities by \$353,500, and Low-Income Children & Working-Age Adults by \$299,000.

Agency Request	0.00	(38,900)	0	(90,900)	(129,800)
Governor's Recommendation	0.00	(38,900)	0	(90,900)	(129,800)

FY 2008 Total

Agency Request	0.00	63,820,000	10,021,400	132,887,000	206,728,400
Governor's Recommendation	0.00	63,820,000	10,021,400	132,887,000	206,728,400

Agency Request					
Change from Original App	0.00	3,563,100	343,900	4,899,100	8,806,100
% Change from Original App		5.9%	3.6%	3.8%	4.4%
Governor's Recommendation					
Change from Original App	0.00	3,563,100	343,900	4,899,100	8,806,100
% Change from Original App		5.9%	3.6%	3.8%	4.4%

Individuals with Disabilities

Analyst: Holland-Smith

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2007 Original Appropriation	0.00	157,220,900	539,120,300	0.00	157,220,900	539,120,300
Reappropriations	0.00	1,100,900	1,100,900	0.00	0	1,100,900
1. Return Savings Due to Caseload	0.00	(5,048,400)	(16,816,400)	0.00	(5,048,400)	(16,816,400)
FY 2007 Total Appropriation	0.00	153,273,400	523,404,800	0.00	152,172,500	523,404,800
Non-Cognizable Funds and Transfers	0.00	0	(2,206,800)	0.00	0	(2,206,800)
FY 2007 Estimated Expenditures	0.00	153,273,400	521,198,000	0.00	152,172,500	521,198,000
Removal of One-Time Expenditures	0.00	(1,100,900)	(1,100,900)	0.00	0	(1,100,900)
FY 2008 Base	0.00	152,172,500	520,097,100	0.00	152,172,500	520,097,100
Nondiscretionary Adjustments	0.00	13,478,000	41,723,100	0.00	13,478,000	41,723,100
FY 2008 Program Maintenance	0.00	165,650,500	561,820,200	0.00	165,650,500	561,820,200
35. Benefits to Medicaid Fraud	0.00	(106,100)	(353,500)	0.00	(106,100)	(353,500)
FY 2008 Total	0.00	165,544,400	561,466,700	0.00	165,544,400	561,466,700
Change from Original Appropriation	0.00	8,323,500	22,346,400	0.00	8,323,500	22,346,400
% Change from Original Appropriation		5.3%	4.1%		5.3%	4.1%

Individuals with Disabilities

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2007 Original Appropriation	0.00	157,220,900	33,510,100	348,389,300	539,120,300

Reappropriations

Reappropriation authority, also known as carry over, allows unspent funds from the prior fiscal year to be carried over and spent in the current fiscal year. Those moneys are then removed as one-time expenditures before calculating the next year's base. Carry over requires specific legislative authorization and must be approved every year. All funds were reappropriated for direct services in the trustee and benefit category.

Agency Request 0.00 1,100,900 0 0 1,100,900

The Governor's recommendation reflects the General Fund portion of the reappropriation transfer from the Cooperative Welfare Fund as dedicated funds.

Governor's Recommendation 0.00 0 1,100,900 0 1,100,900

1. Return Savings Due to Caseload

Due to lack of expected growth in caseloads, and savings incurred due to reduced prescription drug costs resulting from the implementation of Medicare Part "D", the department is requesting that funds provided for FY 2007 for provider payments be reduced.

Agency Request 0.00 (5,048,400) 0 (11,768,000) (16,816,400)

Governor's Recommendation 0.00 (5,048,400) 0 (11,768,000) (16,816,400)

FY 2007 Total Appropriation					
Agency Request	0.00	153,273,400	33,510,100	336,621,300	523,404,800
Governor's Recommendation	0.00	152,172,500	34,611,000	336,621,300	523,404,800

Non-Cognizable Funds and Transfers

The department is transferring funding from trustee and benefit payments to Medicaid Administration and Medical Management to be spent in operating expenditures.

Agency Request 0.00 0 (2,206,800) 0 (2,206,800)

Governor's Recommendation 0.00 0 (2,206,800) 0 (2,206,800)

FY 2007 Estimated Expenditures					
Agency Request	0.00	153,273,400	31,303,300	336,621,300	521,198,000
Governor's Recommendation	0.00	152,172,500	32,404,200	336,621,300	521,198,000

Removal of One-Time Expenditures

Remove funding provided for carryover.

Agency Request 0.00 (1,100,900) 0 0 (1,100,900)

Governor's Recommendation 0.00 0 (1,100,900) 0 (1,100,900)

FY 2008 Base					
Agency Request	0.00	152,172,500	31,303,300	336,621,300	520,097,100
Governor's Recommendation	0.00	152,172,500	31,303,300	336,621,300	520,097,100

Individuals with Disabilities

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Nondiscretionary Adjustments

CASELOAD INFLATION: Increase of 3,668 new eligibles at an average cost of \$554.97 per month for a total increase of \$24,427,700. The total General Fund share is \$7,328,300 and the federal share is \$17,099,400. Individuals with Disabilities account for 45.2% or 1,658 of the increase.

CARRYOVER REPLACEMENT: The department is requesting \$1,100,900 to replace the one-time General Funds carryover funding from FY 2006 into FY 2007.

UTILIZATION INCREASE: The department is requesting \$5,607,600 from the General Fund, \$3,365,500 from dedicated funds, and \$13,340,200 from federal funds to pay for increased utilization projected in FY 2008.

RATE INCREASES: The department is requesting \$16,077,400 for the estimated rate changes for FY 2008. The ratio is 30% from the General Fund and 70% from federal funds with 45.2% of the increase for Individuals with Disabilities.

(DSH) Disproportionate Share of Hospitals: \$3,024,100 or 16%

Nursing Facility: \$10,453,300 or 7.5%

ICF/MR Care - Other Facility: \$1,099,200 or 3%

Physician Services: \$932,100 or 1.3%

Rural Health Clinic Services: \$230,800 or 3%

Personal Care Services: \$434,700 or 1.5%

Hospice Benefits: \$182,800 or 4%

Federally Qualified Health Centers \$205,400 or 3%

Indian Health Services: \$404,800 or 8%

Agency Request	0.00	13,478,000	3,365,500	24,879,600	41,723,100
Governor's Recommendation	0.00	13,478,000	3,365,500	24,879,600	41,723,100

FY 2008 Program Maintenance

Agency Request	0.00	165,650,500	34,668,800	361,500,900	561,820,200
Governor's Recommendation	0.00	165,650,500	34,668,800	361,500,900	561,820,200

35. Benefits to Medicaid Fraud

The department is requesting to add additional staff for Medicaid fraud and Surveillance and Utilization Review (SUR) unit in the Indirect Support Services Program. They are requesting that \$625,800 be transferred to the Indirect Support Services Program and reducing benefit payments to account for the total savings of \$156,500 in federal funds. The funds transferred to the Indirect Support Services Program will be used to hire four fraud investigators and four utilization review analysts. The request reduced the Elders Program by \$129,800, Individuals with Disabilities by \$353,500, and Low-Income Children & Working-Age Adults by \$299,000.

Agency Request	0.00	(106,100)	0	(247,400)	(353,500)
Governor's Recommendation	0.00	(106,100)	0	(247,400)	(353,500)

FY 2008 Total

Agency Request	0.00	165,544,400	34,668,800	361,253,500	561,466,700
Governor's Recommendation	0.00	165,544,400	34,668,800	361,253,500	561,466,700

Agency Request

Change from Original App	0.00	8,323,500	1,158,700	12,864,200	22,346,400
% Change from Original App		5.3%	3.5%	3.7%	4.1%

Governor's Recommendation

Change from Original App	0.00	8,323,500	1,158,700	12,864,200	22,346,400
% Change from Original App		5.3%	3.5%	3.7%	4.1%

Low-Income Children & Working-Age Adults

Analyst: Holland-Smith

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2007 Original Appropriation	0.00	125,953,100	455,916,000	0.00	125,953,100	455,916,000
Reappropriations	0.00	4,546,000	4,546,000	0.00	0	4,546,000
1. Return Savings Due to Caseload	0.00	(4,161,300)	(14,113,300)	0.00	(4,161,300)	(14,113,300)
FY 2007 Total Appropriation	0.00	126,337,800	446,348,700	0.00	121,791,800	446,348,700
Non-Cognizable Funds and Transfers	0.00	0	(2,274,600)	0.00	0	(2,274,600)
FY 2007 Estimated Expenditures	0.00	126,337,800	444,074,100	0.00	121,791,800	444,074,100
Removal of One-Time Expenditures	0.00	(4,546,000)	(4,546,000)	0.00	0	(4,546,000)
FY 2008 Base	0.00	121,791,800	439,528,100	0.00	121,791,800	439,528,100
Nondiscretionary Adjustments	0.00	14,821,000	38,875,400	0.00	14,821,000	38,875,400
FY 2008 Program Maintenance	0.00	136,612,800	478,403,500	0.00	136,612,800	478,403,500
35. Benefits to Medicaid Fraud	0.00	(89,700)	(299,000)	0.00	(89,700)	(299,000)
FY 2008 Total	0.00	136,523,100	478,104,500	0.00	136,523,100	478,104,500
Change from Original Appropriation	0.00	10,570,000	22,188,500	0.00	10,570,000	22,188,500
% Change from Original Appropriation		8.4%	4.9%		8.4%	4.9%

Low-Income Children & Working-Age Adults

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2007 Original Appropriation	0.00	125,953,100	35,333,800	294,629,100	455,916,000

Reappropriations

Reappropriation authority, also known as carry over, allows unspent funds from the prior fiscal year to be carried over and spent in the current fiscal year. Those moneys are then removed as one-time expenditures before calculating the next year's base. Carry over requires specific legislative authorization and must be approved every year. All funds were reappropriated for direct services in the trustee and benefit category.

Agency Request	0.00	4,546,000	0	0	4,546,000
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The Governor's recommendation reflects the General Fund portion of the reappropriation transfer from the Cooperative Welfare Fund as dedicated funds.

Governor's Recommendation	0.00	0	4,546,000	0	4,546,000
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1. Return Savings Due to Caseload

Due to lack of expected growth in caseloads, and savings incurred due to reduced prescription drug costs resulting from the implementation of Medicare Part "D", the department is requesting that funds provided for FY 2007 for provider payments be reduced.

Agency Request	0.00	(4,161,300)	0	(9,952,000)	(14,113,300)
Governor's Recommendation	0.00	(4,161,300)	0	(9,952,000)	(14,113,300)

FY 2007 Total Appropriation					
Agency Request	0.00	126,337,800	35,333,800	284,677,100	446,348,700
Governor's Recommendation	0.00	121,791,800	39,879,800	284,677,100	446,348,700

Non-Cognizable Funds and Transfers

The department is transferring funding from trustee and benefit payments to Medicaid Administration and Medical Management to be spent in operating expenditures.

Agency Request	0.00	0	(2,274,600)	0	(2,274,600)
Governor's Recommendation	0.00	0	(2,274,600)	0	(2,274,600)

FY 2007 Estimated Expenditures					
Agency Request	0.00	126,337,800	33,059,200	284,677,100	444,074,100
Governor's Recommendation	0.00	121,791,800	37,605,200	284,677,100	444,074,100

Removal of One-Time Expenditures

Remove funding provided for carryover.

Agency Request	0.00	(4,546,000)	0	0	(4,546,000)
Governor's Recommendation	0.00	0	(4,546,000)	0	(4,546,000)

FY 2008 Base					
Agency Request	0.00	121,791,800	33,059,200	284,677,100	439,528,100
Governor's Recommendation	0.00	121,791,800	33,059,200	284,677,100	439,528,100

Low-Income Children & Working-Age Adults

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Nondiscretionary Adjustments

CASELOAD INFLATION: Increase of 3,668 new eligibles at an average cost of \$554.97 per month for a total increase of \$24,427,700. Low-Income Children & Working-Age Adults account for 38% or 1,394 of the increase. Total requested in this program from the General Fund is \$2,799,400 and \$6,531,800 from federal funds for a total of \$9,331,200.

CARRYOVER REPLACEMENT: The department is requesting \$4,546,000 to replace the one-time General Funds carryover from FY 2006 into FY 2007.

UTILIZATION INCREASE: The department is requesting \$4,554,000 from the General Fund, \$3,469,000 from dedicated funds, and \$10,833,700 from federal funds to pay for increased utilization projected in FY 2008.

PRICING INFLATION: The department is requesting \$16,077,400 for the estimated rate changes for FY 2008. The ratio is 30% from the General Fund and 70% from federal funds with 38% of the increase for Low-Income Children & Working-Age Adults. This totals \$1,842,500 from the General Fund and \$4,299,000 from federal funds:

- * Disproportionate Share of Hospitals (DSH): \$3,024,100 or 16%
- * Nursing Facility: \$10,453,300 or 7.5%
- * ICF/MR Care - Other Facility: \$1,099,200 or 3%
- * Physician Services: \$932,100 or 1.3%
- * Rural Health Clinic Services: \$230,800 or 3%
- * Personal Care Services: \$434,700 or 1.5%
- * Hospice Benefits: \$182,800 or 4%
- * Federally Qualified Health Centers \$205,400 or 3%
- * Indian Health Services: \$404,800 or 8%

FEDERAL MEDICAL ASSISTANCE PROGRAM: Provides for an decrease in the Federal Medical Assistance Program match rate from 70.088% to 69.993% at a cost to the General Fund of \$1,056,900.

ENHANCED FMAP: Provides for an decrease in the Federal Medical Assistance Program match rate from 70.088% to 78.995% at a cost to the General Fund of \$22,200.

Agency Request	0.00	14,821,000	3,469,000	20,585,400	38,875,400
Governor's Recommendation	0.00	14,821,000	3,469,000	20,585,400	38,875,400

FY 2008 Program Maintenance

Agency Request	0.00	136,612,800	36,528,200	305,262,500	478,403,500
Governor's Recommendation	0.00	136,612,800	36,528,200	305,262,500	478,403,500

35. Benefits to Medicaid Fraud

The department is requesting to add additional staff for Medicaid fraud and Surveillance and Utilization Review (SUR) unit in the Indirect Support Services Program. They are requesting that \$625,800 be transferred to the Indirect Support Services Program and reducing benefit payments to account for the total savings of \$156,500 in federal funds. The funds transferred to the Indirect Support Services Program will be used to hire four fraud investigators and four utilization review analysts. The request reduced the Elders Program by \$129,800, Individuals with Disabilities by \$353,500, and Low-Income Children & Working-Age Adults by \$299,000.

Agency Request	0.00	(89,700)	0	(209,300)	(299,000)
Governor's Recommendation	0.00	(89,700)	0	(209,300)	(299,000)

FY 2008 Total

Agency Request	0.00	136,523,100	36,528,200	305,053,200	478,104,500
Governor's Recommendation	0.00	136,523,100	36,528,200	305,053,200	478,104,500

Low-Income Children & Working-Age Adults

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Agency Request					
Change from Original App	0.00	10,570,000	1,194,400	10,424,100	22,188,500
% Change from Original App		8.4%	3.4%	3.5%	4.9%
Governor's Recommendation					
Change from Original App	0.00	10,570,000	1,194,400	10,424,100	22,188,500
% Change from Original App		8.4%	3.4%	3.5%	4.9%